Agricultural Economics & Marketing Reviewer

By Agriculture Review

1. Which of the following best describes microeconomics?

a) Study of national income and employment

b) Study of economic development across countries

c) Study of individual consumer and firm behavior

d) Study of agricultural policy impacts

2. Which factor of production is considered a natural resource?

a) Labor

b) Capital

c) Land

d) Entrepreneurship

3. What does MSP stand for in agricultural marketing?

a) Market Sale Price

b) Minimum Support Price

c) Maximum Selling Price

d) Marginal Selling Price

4. In which market structure does a single seller dominate the market?

a) Monopoly

b) Perfect competition

c) Oligopoly

d) Monopolistic competition

5. Which of the following is a function of warehousing in agricultural marketing?

a) Price fixing

b) Transportation

c) Storage and preservation

d) Grading

6. What is the term for the next best alternative foregone when a decision is made?

a) Sunk cost

b) Explicit cost

c) Opportunity cost

d) Marginal cost

7. Which of the following is NOT a factor of production?

a) Land

b) Capital

c) Money

d) Labor

8. What type of market structure exists when there is only one seller of a product?

a) Oligopoly

b) Monopsony

c) Monopoly

d) Perfect competition

9. What does the 'Law of Demand' state?

a) As price increases, quantity demanded increases

b) Demand is not affected by price

c) As price increases, quantity demanded decreases

d) Supply creates its own demand

10. Which of the following is a characteristic of a perfectly competitive market?

a) One large seller

b) Barriers to entry

c) Many buyers and sellers

d) Price fixing

11. Which economic system relies primarily on market forces with minimal government intervention?

a) Capitalism

b) Socialism

c) Command economy

d) Communism

12. Which of the following best defines 'elasticity of demand'?

a) Responsiveness of price to supply

b) Responsiveness of demand to income

c) Responsiveness of quantity demanded to price

d) Responsiveness of supply to cost

13. In agricultural marketing, what is the role of a 'middleman'?

a) Producer of crops

b) Final consumer

c) Intermediary between producer and consumer

d) Input supplier

14. What does GDP stand for?

a) General Domestic Product

b) Gross Domestic Production

c) Gross Domestic Product

d) Gross Development Price

15. Which economic principle explains that as you consume more of a good, the additional satisfaction decreases?

a) Diminishing marginal utility

b) Law of increasing returns

c) Law of demand

d) Law of substitution

16. What kind of cost does not change with the level of output?

a) Variable cost

b) Marginal cost

c) Fixed cost

d) Total cost

17. Which of the following best defines 'agricultural marketing'?

a) Selling goods to supermarkets only

b) The process from farm production to final consumer

c) Exporting agricultural products

d) Government pricing policies

18. Which of the following is a direct function of agricultural marketing?

a) Grading and standardization

b) Transportation

c) Storage

d) All of the above

19. Which sector includes farmers, fishers, and forestry workers?

a) Secondary sector

b) Tertiary sector

c) Primary sector

d) Quaternary sector

20. Which of the following is an example of a public good in agricultural economics?

a) Farm tractor

b) Irrigation system

c) Crop insurance

d) Road access to farms

21. What is the primary function of agricultural marketing?

a) Production planning

b) Credit disbursement

c) Movement of goods from farm to consumer

d) Crop insurance

22. MSP stands for:

a) Marginal Selling Price

b) Maximum Support Price

c) Minimum Support Price

d) Market Selling Price

23. Agricultural Economics is mainly concerned with:

a) Laws of thermodynamics

b) Behavior of atoms

c) Allocation of scarce resources in agriculture

d) International diplomacy

24. A market where there are many buyers and many sellers is called:

a) Monopoly

b) Oligopoly

c) Perfect competition

d) Duopoly

25. Elasticity of demand measures:

a) Change in supply due to price

b) Change in price due to government policy

c) Responsiveness of quantity demanded to price change

d) Changes in weather patterns

26. Which of the following is an example of direct marketing?

a) Retail shop

b) Cold storage

c) Farmer's market

d) Mandis

27. Who sets the Minimum Support Price in the Philippines?

a) Bangko Sentral ng Pilipinas

b) DA and NFA

c) Sugar Regulatory Administration

d) Department of Finance

28. What does NFA stand for in Philippine agriculture?

a) National Finance Authority

b) National Food Authority

c) National Farming Association

d) New Farmer Agency

29. Which among the following is a component of marketing mix?

a) Packaging

b) Price

c) Place

d) All of the above

30. Which institution provides crop insurance to farmers in the Philippines?

a) NFA

b) Department of Agrarian Reform

c) Philippine Crop Insurance Corporation

d) Bangko Sentral ng Pilipinas

31. What is meant by 'price elasticity of demand' in agricultural economics?

a) Change in supply due to change in price

b) Change in demand due to change in income

c) Change in demand due to change in price

d) Change in production due to technology

32. Which of the following is not a characteristic of perfect competition?

a) Large number of buyers and sellers

b) Free entry and exit

c) Product differentiation

d) Perfect knowledge

33. Which of the following is the major source of agricultural credit in the Philippines?

a) Bangko Sentral ng Pilipinas

b) Land Bank of the Philippines

c) World Bank

d) International Monetary Fund

34. The Cobweb Theorem in agriculture is related to:

a) Market equilibrium with fixed prices

b) Time lag between production and price

c) Demand elasticity measurement

d) Price support mechanism

35. What does the term 'agricultural marketing' primarily refer to?

a) Selling agricultural inputs

b) Promotion of agri-based products

c) Movement of products from farm to consumer

d) Agricultural extension services

36. What is the main objective of agricultural subsidies provided by the government?

a) To increase import of food products

b) To reduce agricultural exports

c) To support farmers' income and reduce production costs

d) To promote urban employment

37. Which one of the following is an indirect tax?

a) Property tax

b) Income tax

c) VAT

d) Wealth tax

38. The law of diminishing marginal returns is applicable in:

a) Long run

b) Very short run

c) Short run

d) No time frame

39. In cost theory, what is the AVC?

a) Average Variable Cost

b) Actual Variable Cost

c) Added Value of Capital

d) Aggregate Variable Cost

40. Which of the following organizations is primarily responsible for collecting agricultural statistics in the Philippines?

a) Bureau of Agricultural Research

b) Philippine Statistics Authority

c) Department of Agrarian Reform

d) Bureau of Customs

41. What is the role of buffer stocks in agricultural marketing?

a) Promote exports of surplus produce

b) Ensure price stability and food security

c) Increase farm subsidies

d) Reduce land holdings

42. Which is the most common form of market structure in agricultural marketing in the Philippines?

a) Monopoly

b) Oligopoly

c) Monopsony

d) Perfect competition

43. What does the Law of Diminishing Marginal Utility state?

a) Utility increases with each unit consumed

b) Total utility decreases after some time

c) Marginal utility declines with each additional unit

d) No change in utility after multiple units

44. In cost curves, the point where Average Cost (AC) equals Marginal Cost (MC) is known as:

a) Break-even point

b) Profit-maximizing point

c) Minimum cost point

d) Marginal revenue point

45. Which concept measures the responsiveness of quantity demanded to a change in price?

a) Price rigidity

b) Marginal rate of substitution

c) Price elasticity of demand

d) Supply schedule

46. Which of the following is NOT considered a function of marketing?

a) Storage

b) Transportation

c) Harvesting

d) Grading

47. The National Food Authority (NFA) in the Philippines is primarily responsible for:

a) Providing farm machinery to farmers

b) Controlling inflation rates

c) Stabilizing rice supply and prices

d) Issuing farm credit subsidies

48. In agricultural economics, what is the definition of opportunity cost?

a) Cost of labor in farming

b) Total amount spent on fertilizer

c) Income lost by choosing one option over another

d) Purchase cost of inputs

49. Which market type has many sellers, differentiated products, and some control over price?

a) Perfect competition

b) Monopolistic competition

c) Monopoly

d) Oligopoly

50. Which of the following policies aims to support farmers' income and ensure fair prices?

a) Taxation policy

b) Minimum Support Price (MSP)

c) Monetary policy

d) Import policy

Answer Key

1. c
2. c
3. b
4. a
5. c
6. c
7. c
8. c
9. c
10. c
11. a
12. c
13. c
14. c
15. a
16. c
17. b
18. d
19. c
20. d
21. c
22. c
23. c
24. c
25. c
26. c
27. b
28. b
29. d
30. c
31. c
32. c
33. b
34. b
35. c
36. c
37. c
38. c
39. a
40. b
41. b
42. d
43. c
44. c
45. c
46. c
47. c
48. c
49. b
50. b